

UNITED STATES DEPARTMENT OF AGRICULTURE

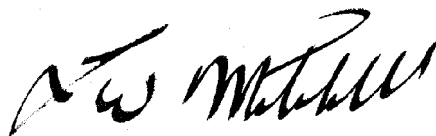
Farm Service Agency
Washington, DC 20250

Notice LP-1712

For: State and County Offices

1999 Crop Honey Recourse Loan Program

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

The Agricultural, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, provides for the availability of recourse loans to producers of 1999-crop honey.

B

Purpose

This notice provides the following Honey Recourse Loan Program Policies:

- eligibility requirements
- loan rate
- service fees
- collateral requirements.

C

Action

State Offices shall immediately publicize the contents of this notice to the maximum extent possible.

County Offices shall:

- immediately notify producers
- accept and process applications.

Disposal Date

October 1, 2000

12-6-99

Distribution

State Offices; State Offices relay to County Offices

Notice LP-1712

2 General Information

A

Sources of Authority

The source of authority for the Honey Recourse Loan Program is the Agricultural, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000.

The regulation for this program is 7 CFR Part 1434.

B

Program Availability

The Honey Recourse Loan Program authorizes CCC to make available to producers a 9-month recourse loan on 1999 crop honey.

C

Effective Date

Eligible producers may obtain honey recourse loans by requesting loan until the final loan availability date which is March 31, 2000.

D

Where to Request a Loan

Producers shall request loans at the County Office where the producer's farm records are located.

E

Maturity Date

Loans mature on demand, but no later than the last day of the ninth calendar month following the month in which the note and security agreement were approved.

F

Loan Rate

The loan rate shall be \$0.59 per pound for all loan-eligible honey.

G

Service Fees

The loan service fee shall be the **smaller** of the following:

- .005 times the gross loan amount
 - \$45.00 per loan plus \$3.00 for each lot over 1.
-

3 Eligibility Requirements

A Producer Eligibility

An eligible producer is a person who:

- produced honey in the United States during the calendar year for which the loan is requested and extracted honey on or before December 31, 1999
- has a continuous beneficial interest in the honey from the time the honey was extracted through date of repayment of the loan
- is responsible for the financial risk of keeping the bees and producing the honey.

Approved CMA's may obtain loans on behalf of their members for honey delivered to the CMA's.

B Eligible Honey

To be eligible for a loan, the honey must:

- have been produced by an eligible producer
 - have been produced in the United States during the 1999 calendar year
 - be of merchantable quality deemed by CCC to be suitable for loan
 - be stored in acceptable containers.
-

C Storage Provisions

Honey shall be stored on or off the farm. Pre-loan inspections must be performed by County Offices to verify the quantity of honey.

Continued on the next page

3 Eligibility Requirements (Continued)

D

Packaging Requirements

The honey must be packed in containers which meet the following conditions:

- be clean
- be sound
- uncased
- free from appreciable dents or rust.

Each container shall be identified with the following information:

- producer's name
 - lot number
 - type of honey
 - number of container
 - net weight.
-

E

Producers Certification

The producer shall certify to the quantity of the honey and the eligibility for a loan.

County Offices shall accept the certification on CCC-633 (Honey).

The maximum quantity eligible for the loan shall be 100 percent of the eligible quantity certified by the producer and verified by the County Office representative during the pre-loan inspection.

The producer is responsible for any loss in quantity of the honey placed under loan.

F

Lien Search

A lien search shall be performed for each loan request and applicable CCC-679's obtained by the producer.

G

Financing Statement

File UCC-1 or other applicable financing statement required by State Law to protect CCC-s security interest for all honey loans.
